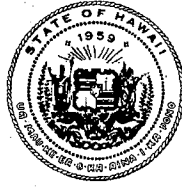


LINDA LINGLE
GOVERNOR



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HAWAII PUBLIC HOUSING AUTHORITY
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BARBARA E. ARASHIRO
EXECUTIVE ASSISTANT

IN REPLY PLEASE REFER TO:
09:CPO/214

June 5, 2009

TO: Priority Listed Offerors

FROM: Rick T. Sogawa 
Acting Procurement Officer

SUBJECT: Request-For-Proposals No. OED-2009-15, Addendum No. 6
Revitalize and Redevelop Kuhio Park Terrace and Kuhio Homes on the
Island of Oahu

This Addendum No. 6 is to provide additional information and responses to questions that were received at the Pre-Proposal Conference conducted by the Hawaii Public Housing Authority (HPHA) on May 22, 2009, up until May 29, 2009:

1. As additional information, a copy of the Pre-Proposal Conference sign-in sheet conducted by the HPHA on Friday, May 22, 2009 is provided as Attachment 1 to this Addendum No. 6.

Questions:

1. **Will the Project development require compliance with the environmental review procedures of Hawaii Revised Statutes Chapter 343, and/or the same for National Environmental Policy Act (NEPA)?**

The HPHA is researching the information which will be provided in an addendum.

2. **Any off-site sites that the HPHA owns that could be considered to be developed upon?**

The HPHA is researching the information which will be provided in an addendum.

3. **Will the HPHA coordinate with the Hawaii Housing Finance & Development Corporation (HHFDC) to have a certain amount of bond money to be set aside from its yearly allocation for the redevelopment of Kuhio Park Terrace and Kuhio Homes?**

The HPHA is researching the information which will be provided in an addendum.

4. **If a "set aside" can't be implemented, will the Kuhio Park Terrace and Kuhio Homes redevelopment have priority over other applications at HHFDC?**

No.

5. **Could we get the most current capacities of the sewer lines, electrical and water supplies for the KPT and this general area?**

The HPHA is researching the information.

6. **Could we get a more recent site plan? The ones in the addendum 2 (May 20th) do not show complete townhomes and area north of the school.**

The HPHA is researching the information.

7. **Could we get the most recent Physical Needs Assessment report from earlier this year?**

The 2008 Physical Needs Assessment issued with addendum no. 5 is the most recent report.

8. **Please provide the following:**

- a. **Rent roll, current and historical;**
- b. **Occupancy/vacancy records, current and historical;**
- c. **Operating income and expense records/statement with breakdown of revenues, grants, subsidies, (and how there are applied), and costs, current, and historical.**
- d. **Tenant Income (Addendum 5) in Excel format**
- e. **Breakdown of unit types (eg. 1/bed/bath, 2 bed/2 bath, etc.) and sizes, by building in Excel format.**

Item a. HPHA is gathering the information which will be provided in an addendum.

Item b. HPHA is gathering the information which will be provided in an addendum.

Item c. HPHA is gathering the information which will be provided in an addendum.

Item d. The Tenant Income issued with Addendum No. 5 is in Excel format.

Item e. HPHA is gathering the information which will be provided in an addendum.

9. **Under IV. E. of page 17 of the RFP, reference is made that the HPHA retains a portion of what it receives from HUD for its monitoring and asset management function, which is to be determined prior to the Step 2 RFP. Has this information been made available?**

The HPHA is gathering the information which will be provided in an addendum.

10. Information regarding reference to ground lease in perpetuity – what are the terms, or if terms are negotiable, what are the nominal term parameters, eg. \$1 rent, land uses, timing of such, etc?

As is typical of these transactions a ground lease will be executed for a 99-year term, subject to a 40-year affordability restrictive covenant as required by Section 9(d)(3)(A) of the United States Housing Act of 1937 (42 U.S.C. Section 1437 et seq.). Assume an annual base rent of \$1.00 per annum.

11. A 15-year proforma is required per the RFP. What assumptions are to be made at the end of the 15 years, eg. Disposition, residual values?

The purpose of the 15-year pro-forma is to evaluate (during the typical term of the tax credit compliance or financing period) the economic projections, viability and return expected of the owner entity. To the degree it enhances your proposal, you may want to assume a first-right to purchase by the HPHA at the expiration of that period and all that implies for your pro-forma.

12. Are the HOPE VI funds a deduction from eligible basis for purposes of the LIHTC basis calculations?

As a source the HOPE VI funds typically need to be treated as a loan to the limited partnership in order for the owner entity to receive favorable tax treatment. The determination of eligible basis is conditioned on the expenditures for eligible activities.

13. As set forth in HUD Mixed-Finance Procurement Training Qs and As, are any of the firms who qualified for Step Two: Technical Submission firms who previously participated in some aspect of the development planning or implementation, and has every effort been made to provide all potential respondents with equal access to information?

Yes.

14. Can a procured developer subsequently replace a team member that was named in the original RFP response?

The awarded team may replace a team member, subject to HPHA approval.

15. What is the timeline for the design and contracted renovations work for elevator modernization, fire alarm replacement, and trash chute replacement as set forth on page 4 of the RFP?

The HPHA is gathering the information which will be provided in an addendum.

16. Page 8 of the RFP contemplates an aggregate investment of \$15,000,000 by the HPHA, subject to Board of Director approval, of which a portion will be used pro rate with expenses, and the balance of the investment will be available as a loan to assist in the permanent financing plan. What

are the minimum acceptable criteria for the portion of the \$15,000,000 attributable to investment, and what are the appropriate assumptions (interest rate, term amortization) that should be utilized with respect to the permanent financing plan.

The respondent is responsible for proposing the use of the \$15 million funded by the HPHA, in a manner that enhances its proposal. To assist respondents in their economic assumptions, you may assume the following terms for the funding as a fundamental construct:

Interest rate: ¼% per annum simple interest
Maturity date: 42 years after the date of the HPHA Note

17. Please further define and/or clarify the “competitive range” as defined in VII.B of the RFP.

Typically, the competitive range includes the proposals that have a reasonable chance of being selected for award considering their technical evaluation results and their proposed costs or price. For this particular solicitation, the considerations were based on the proposer’s experience, demonstrated qualifications, financial capacity and strategy to include resident employment and involvement.

18. Does the HPHA have confirmation from the appropriate jurisdictional authorities that the Developmental Goals in the Executive Summary are permitted uses and improvements under current municipal, state, and federal departments governing planning, environmental, ecological and utility services?

The HPHA is gathering the information which will be provided in an addendum.

If you have any questions, please call contact Rick Sogawa at (808) 832-6038. Thank you.

